



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Cleta Mitchell, Esq.
Foley & Lardner LLP
3000 K Street, N.W.
Washington, D.C. 20007

FEB 4 2009

RE: MUR 5709
Gallagher for Senate and
Kenneth Lancaster, in his official
capacity as treasurer

Dear Ms. Mitchell:

On January 29, 2009, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Wanda D. Brown".

Wanda D. Brown
Attorney

Enclosure
Conciliation Agreement

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2009 NOV 21 P 4: 22

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

RECEIVED
FEDERAL ELECTION COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

MUR 5709

Gallagher for Senate and Kenneth Lancaster,)
in his official capacity as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Gallagher for Senate and Kenneth Lancaster, in his official capacity as treasurer ("Respondents"), violated 2 U.S.C. § 434(b)(4).

NOW, THEREFORE, the Commission and the Respondents, having duly entered in conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Gallagher for Senate ("the Committee") is the authorized committee of Douglas Gallagher, a 2004 candidate for U.S. Senate in Florida and a political committee within the meaning of 2 U.S.C. § 431(4)(A).

2. Kenneth Lancaster is the treasurer of Gallagher for Senate.

3. The treasurer of a political committee must file reports of all receipts and disbursements in accordance with the Federal Election Campaign Act of 1971, as amended ("the

Act"). 2 U.S.C. § 434(a)(1). Each report for the reporting period shall disclose the total amount of disbursements by the committee. 2 U.S.C. § 434(b)(4).

4. On July 15, 2004, Respondents filed an original 2004 July Quarterly Report disclosing total disbursements of \$1,146,493.

5. On September 9, 2004, Respondents filed an Amended 2004 July Quarterly Report disclosing an additional \$1,358,937 in disbursements, bringing total disbursements for the period to over \$2.5 million.

6. Respondents claim that the failure to disclose the \$1,358,937 in disbursements was an administrative oversight that resulted from the high volume of activity and confusion surrounding the 2004 election.

V. Respondents failed to disclose disbursements of \$1,358,937 in the 2004 July Quarterly Report, in violation of 2 U.S.C. § 434(b).

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Fifteen Thousand (\$15,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondents will cease and desist from violating 2 U.S.C. § 434(b).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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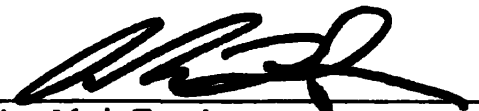
IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


Thomaseia Duncan
General Counsel

BY:


Ann Marie Terzaken
Associate General Counsel
for Enforcement

2/6/09
Date

FOR THE RESPONDENTS:


(Name) DOUGLAS D. GALLAGHER
(Position) CANDIDATE

November 19, 2008
Date

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